



**Testimony
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Before the Education Committee
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The Connecticut Council of Small Towns (COST) opposes the provisions in HB-7150, which shift teachers' pension costs to towns.

COST is very concerned that the Governor's proposal to shift teachers' pension costs to towns will overwhelm property taxpayers in many small towns throughout Connecticut.

Requiring towns to pick up millions of dollars in teachers' pension costs without giving towns any opportunity to manage these costs going forward is simply unfair. Towns have had no say in managing the teachers' pension fund or in negotiating benefits or contribution levels. In addition, binding arbitration laws limit the ability of towns to negotiate teachers' salaries, which contribute to benefit costs.

While we understand that Connecticut must tackle its pension obligations, shifting this obligation to towns will only impose a greater burden on already overburdened property taxpayers. Moreover, the bill disproportionately impacts many small towns because it requires them to pick up additional costs to reflect higher teacher salaries. These towns are faced with a double whammy because higher salaries are already reflected in the normal cost.

In addition, given the state's ongoing budget challenges, we are very concerned that the state will require towns to shoulder an increasing percentage of costs over time. The state is simply offloading this cost from their balance sheet onto the towns, imposing an untenable burden on local property taxpayers.

In addition, COST opposes efforts to accelerate the phase-in of changes to the Education Cost Sharing formula, which will result in sizable reductions in education funding in many communities. Property taxpayers in many small towns contribute a significant amount of taxes to the state's General Fund even though their communities receive very little back in terms of municipal aid or state services.

While we understand that the needs of other communities are great, all towns should receive some level of funding. This "fair-share funding" ensures that every community has a stake in the quality and success of Connecticut's schools.



Education already comprises 70-90% of local budgets in our small towns, imposing tremendous pressure on our property tax levels. COST recommends revisions to the provisions in the bill regarding the Minimum Budget Requirement to help towns control education costs.

Under the Minimum Budget Requirement (MBR) mandate, school districts must budget at least the same amount for education as they did in the prior fiscal year, with certain limited exceptions. The MBR mandate is holding town budgets hostage, imposing a tremendous burden on property taxpayers to fund unnecessary levels of education spending.

Towns need more flexibility to ensure that education budgets can be adjusted to reflect declining enrollment and other areas where savings can be achieved. **COST recommends eliminating the MBR mandate for non-Alliance School districts to help towns control the growth of local budgets to ease the burden on property taxpayers.**

COST is an advocacy organization committed to giving small towns a strong voice in the legislative process. COST champions the major policy needs and concerns of Connecticut's suburban and rural towns. More information is available at www.ctcost.org